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C O N F I D E N T I A L SECTION 01 OF 03 BEIRUT 000809

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DEPT FOR NEA/FO, NEA/ELA
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P FOR DRUSSELL, RRANGASWAMY
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PARIS FOR JMILLER
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NSC FOR SHAPIRO, MCDERMOTT
DOD/OSD FOR FLOURNOY/KAHL/DALTON
OVP FOR HMUSTAFA

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TAGS: PREL PGOV PINR LE SY
SUBJECT: LEBANON: MARCH 14 FIGURES STILL CAUTIOUSLY

SUBJECT: LEBANON: MARCH 14 FIGURES STILL CAUTIOUSLY OPTIMISTIC CABINET FORMATION POSSIBLE "IN A FEW WEEKS"

Classified By: Ambassador Michele J. Sison for reasons 1.4 (b) and (d).

SUMMARY

¶1. (C) March 14 contacts this week were cautiously optimistic that Prime Minister-designate Saad Hariri would ultimately come to agreement with Hizballah and opposition Christian leader Michel Aoun on the formation of a government. However, they said, it was unrealistic to expect a new cabinet before the end of July due to ongoing negotiations on the cabinet formulation and criteria for the ministers. The delay has not weakened Saad Hariri's position (yet), they say, but conceding on the blocking third would. March 14 contacts were concerned, however, that the longer the process took, the more difficult it would become to overcome sectarian equities. Presidential Advisor Naji Abi Assi confirmed that President Michel Sleiman did not yet feel a "sense of urgency" to intervene. Names of potential candidates for certain ministries, including current caretaker Ministers Elias Murr (Defense) and Ziad Baroud (Interior) retaining their positions, have begun to emerge, although nothing is final. Our interlocutors were waiting to hear Hizballah SYG Hassan Nasrallah's speech the evening of July 17 (septel) for clues about the position of Hizballah, and its allies Iran and Syria, on the government formation process. The greatest worry expressed by our interlocutors was the negative impact on Lebanon if any regional instability, involving Israel, Hizballah or Syria, developed. Although negotiations seem to be moving forward -- albeit slowly -- our interlocutors are resigned to saying that Hariri's credibility and swiftness of government formation are directly linked, for better or worse, to the Syrian-Saudi relationship and the actions of Hizballah. End summary.

DELAY DOESN'T WEAKEN SAAD BUT CONCEDING ON "BLOCKING THIRD" WILL

12. (C) Advisor to PM-designate Saad Hariri, Nader Hariri reported to the Ambassador and Pol/Econ Chief July 17 that none of the March 8 parties had yet presented lists of ministerial candidates or desired ministries to Hariri. Gebran Bassil (of Michel Aoun's Free Patriotic Movement)

continues in a vicious circle of discussing proportional representation, while Speaker of Parliament Nabih Berri has relayed that he will accept "whatever Syria tells him." Hizballah, Nader said, has remained consistent on the need for a blocking third, although the new concept of a "king minister" (an "eleventh minister" who would fall under President Sleiman's ministerial bloc) is now being discussed. Saad Hariri has pushed March 8 to agree on ten ministers now and hold the issue of the eleventh minister until the end, but his interlocutors have resisted this tactic. In the end, the acceptability of the "king minister" concept depends on who the candidate would be ("a credible Shia"). As for internal negotiations with the March 14 coalition, Saad Hariri is pushing for new faces such as young professionals or women instead of the MPs who "already got their reward." Saad had patience, Nader emphasized. Hariri is not "squeezed on time" and will lose face only by conceding to the blocking third, not by taking his time in negotiations with the opposition, Nader commented.

- 13. (C) According to his March 14 allies, Hariri could not (and should not) back down on his insistence that the majority would obtain 16 seats in a 30-seat cabinet; of the remainder, 10 seats would go to the opposition and four to President Michel Sleiman. March 14 allies allege that opposition Speaker of Parliament Nabih Berri's July 15 meeting with Saad Hariri was a publicity ploy to pressure Hariri to form a government before the end of July.
- 14. (C) At a luncheon hosted by the Ambassador on July 16, several March 14 coalition notables, including MP Marwan

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Hamadeh (PSP), Fares Souaid and Michel Mecateff (March 14 Secretariat), Elie Khoury (Lebanese Forces), and Future Party activist Moustafa Allouch (Tripoli), were cautiously optimistic that a new government would be formed in a few weeks, although unlikely before the end of July. Saad Hariri, they agreed, was making slow, but steady progress in his consultations with the Hizballah-led opposition. However, there were complications, they admitted. March 14 Druze leader Walid Jumblatt's statements and overtures to Syrian allies and opposition Druze figures were not helpful, they claimed. MP Dory Chamoun commented July 15 that Jumblatt was making calculations based on the "need to protect his Druze constituency." Despite Jumblatt's actions to protect what he perceives as Druze strategic interests, our March 14 contacts believed Jumblatt remained part of the coalition (a view Nader Hariri shared).

15. (C) Marwan Hamadeh and others at the luncheon asserted that although both the March 14 majority and the opposition parties were holding on to their negotiating positions, the general public was not particularly interested in the government formation process, although they would bear the consequences in terms of lack of infrastructure and services the longer the process took. Our March 14 contacts said they would listen carefully to Hizballah SYG Hassan Nasrallah's speech the evening of July 17 (septel) for clues about the positions of Hizballah and its allies, Iran and Syria, about the government formation process. They also relayed that any signs of regional instability involving Hizballah, Israel, or Syria would "bring calamity" to Lebanon.

SAUDI-SYRIAN TRACK FROZEN PENDING SYRIAN CONCESSIONS

16. (C) In a meeting with the Ambassador July 17, Samir Geagea confidant Elie Khoury presented Geagea's proposal to encourage the Saudis to slow their dtente with Syria at any sign of Syrian intransigence. He asserted that Saudi miscalculations with regard to Syria had cost PM-designate Hariri momentum and status. Any Saudi sticks applied to the Syrians should be indirect, Khoury advised. The Syrian-Saudi track was frozen, in Nader Hariri's view. Saad Hariri's

possible visit to Syria would depend on Syrian agreement on border demarcation, detainees, the elimination of the Syrian-Lebanese Higher Council, eliminating weapons at Palestinian military bases along the border, and no Syrian political interference in Lebanese cabinet formation. The Saudis had conveyed this message to the Syrians, and "the ball is in the Syrians' court," Nader said. Saad Hariri could be flexible on the timing of a visit to Damascus if the Syrians concede enough, he added. If there is no deal, there will be no visit.

SLEIMAN DOESN'T FEEL SENSE OF URGENCY -- YET

17. (C) Presidential Advisor Naji Abi Assi told us July 13 that President Michel Sleiman did not feel a "sense of urgency" to intervene in the cabinet formation process yet. Sleiman's priority was an agreement between the two coalitions that would be good for Lebanon's stability, Abi Assi reported. He added that Sleiman was less inclined to argue for a certain number of cabinet ministers for himself or the distribution of seats between the two sides. However, Abi Assi was advising Sleiman to establish criteria with Saad Hariri for who would qualify as a minister. For example, he said, Sleiman and Hariri might agree that if a ministerial candidate lost his parliamentary electoral race, then he would be ineligible for a cabinet position. (Note: This proposal directly targets keeping Michel Aoun's son-in-law and current caretaker Minister of Telecommunications, Gebran Bassil, who lost his electoral race, out of the cabinet. End note.) Sleiman and Hariri had not yet agreed to specific criteria, Abi Assi insisted.

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COMMENT

18. (C) Michel Aoun's demands for a blocking third and Hizballah's calls for a "true partnership" have slowed the process considerably. It may be a positive sign, however, that names of candidates for specific ministerial positions are emerging. Some of the more serious names of candidates we have heard include current Ministers Elias Murr (Defense) and Ziad Baroud (Interior) retaining their positions. Others include opposition-aligned Mahmoud Berri (brother of Nabih Berri) as potential Minister of Foreign Affairs and Nadim Munlah (aligned with Hariri's Future Movement) as a Minister of Finance.

19. (C) While the numbers game continues, and it is far from decided who the ministers will be, our interlocutors insist that the decision on Lebanon's government formation will be decided by external factors, such as the Syrian-Saudi relationship, for better or for worse. Until that element crystallizes, they say, then the numbers game will continue. We are reminded of the long summer weeks in 2008 when Aoun's and Hizballah's demands were stalling cabinet formation. At nearly three weeks, it is important to note that cabinet formation in 2008 lasted seven weeks after the Doha agreement had already determined the cabinet distribution. End comment. SISON